

## Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 INRE-00 NSCE-00 USIE-00  
CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05  
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O R 061610Z DEC 76

FM USMISSION USBERLIN

TO SECSTATE WASHDC IMMEDIATE 3548

AMEMBASSY BONN IMMEDIATE

INFO AMEMBASSY BERLIN UNN

AMEMBASSY BERN

AMEMBASSY LONDON

AMEMBASSY MSOCOW

AMEMBASSY PARIS

USMISSION USNATO

C O N F I D E N T I A L USBERLIN 2615

E.O.11652: GDS

TAGS: PFOR, EAIR, WB, US, UK, FR, UR, GE, GW

SUBJECT: BERLIN-ZURICH FLIGHTS: SWISS AIR/INTERFLUG MAY OPEN ZURICH/  
SCHOENEFELD SERVICE

1. SUMMARY: BERLIN NEWSPAPER DEC. 6 CLAIMED INTERFLUG HAS  
FRG OVERFLIGHT RIGHTS FOR SCHOENEFELD-ZURICH SERVICE.  
GERMAN SPOKESMEN HAVE DENIED CLAIM AS REGARDS SCHEDULED  
SERVICE, BUT INTERFLUG APPARENTLY ALREADY OCCASIONALLY AUTHORIZED  
TO OVERFLY FRG CARRYING ZURICH-ORIGIN CHARTER TRAFFIC.  
NEWSPAPER ALSO PROBES POSSIBILITY OF INTERFLUG OFFICE  
IN WEST BERLIN AND SCHOENEFELD/NEW YORK SERVICE. WE  
WANT TO RESIST INTERFLUG SERVICE TO ZURICH AND RECOMMEND  
ALLIES RAISE MATTER IN BONN. ALSO WE THINK USG AND  
MHG SHOULD PRESS PANAM AND BA TO OPEN SHARED ZURICH  
SERVICE. END SUMMARY.

2. BERLIN NEWSPAPER TAGESSPIEGEL DEC 6 REPORTED SWISS  
AIR AND INTERFLUG PLAN TO OPEN ON APRIL 1, 1977  
REGULAR FOUR TIMES WEEKLY PASSENGER SERVICE BETWEEN  
ZURICH AND EAST GERMAN AIRPORT SCHOENEFELD. PAPER  
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NOTES THAT THIS SERVICE IN DIRECT CONFLICT WITH THE PLANS OF BRITISH AIRWAYS AND PANAM TO ESTABLISH ZURICH SERVICE FROM WEST BERLIN'S NEARBY TEGEL AIRPORT, FOR WHICH " NO PERMISSION FROM THE ALLIED CIVIL AIR ATTACHES" HAS BEEN GRANTED. SWISS AIR BERLIN MANAGER FRAUENLOB, AFTER CHECKING WITH HIS HEAD OFFICE, TOLD MISOFF THAT SWISS AIR HAD PLAN TO FLY ROUTE AS DESCRIBED BY NEWSPAPER, BUT THAT TOP MANAGEMENT HAD NOT YET APPROVED PLAN. HE NOTED THAT SWISS, BY VIRTURE OF ICAO MEMBERSHIP, ALREADY HAVE OVERFLIGHT RIGHTS OVER FRG, BUT HE COULD NOT SAY WHETHER SWISS AIR WOULD OR COULD FLY SCHOENEFELD SERVICE ALONE IF INTERFLUG DENIED PERMISSIIION. ( GDR IS NOT ICAO MEMBER).

3. NEWSPAPER ALSO CLAIMS THAT THE FRG TRANSPORTATION MINISTRY (FMT) HAS ALREADY GIVEN INTERFLUG THE RIGHT TO OVERFLY FRG, DPA REPORTS FMT CONFIRMED ON DEC. 4 THAT THE TWO AIR COMPANIES HAD INTENTION OF FLYING THE ZURICH/SCHOENEFELD ROUTE, BUT THAT " FINAL PERMISSION HAD NOT YET BEEN GRANTED." FOLLOWING DAY, BERLIN FEDERAL AFFAIRS SENATOR STOBBE PUBLICLY REINFORCED DENIAL, SAYING THAT SUCH PERMISSION WOULD NOT BE GIVEN UNLESS LUFTHANSA AND OTHER NON-FOUR POWER AIRLINES RECEIVED GDR OVERFLIGHT RIGHTS TO TEGEL. STOBBE ADDED THAT FRG WOULD CONSULT WITH THE COMPETENT ALLIED AUTHORITIES. ECONOMIC SENATOR LUEDER MADE SAME POINTS DEC. 5 SAYING IT WOULD NOT BE IN BERLIN'S INTEREST FOR FRG TO APPROVE.

4. TAGESSPIEGEL CONTENTS NEVERTHELESS THAT ATTITUDE OF FMT HAS BEEN SIGNED BY ITS GRANTING TO INTERFLUG SPECIFIC PERMISSION FOR CHARTER FLIGHTS BETWEEN ZURICH AND SCHOENEFELD. SWISS TOURIST FIRM ( AIR TOUR SUISSE) HAS CONTRACTED WITH AEROAMERICA, AND INTERFLUG AS WELL, FOR FOUR DAY INCLUSIVE TOUR OF WEST AND EAST BERLIN. FRAUENLOB TOLD MISOFF THAT INTERFLUG HAD BEEN RECEIVING CASE BY CASE FMT PERMISSION FOR SUCH CHARTER SERVICE FOR SOME TIME, AS WELL AS TRAFFIC RIGHTS FROM THE FRG TO THE LEIPZIG FAIR.

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5. THE INCLUSIVE TOUR VIA INTERFLUG IS 14 PERCENT CHEAPER THAN WITH AEROAMERICA ( SFR 295 VS. SFR 253) DESPITE FACT INTERFLUG'S ROUTE TO SCHOENEFELD IS LONGER. THE 430-MILE ROUTE FROM ZURICH TO TEGEL VIA CORRIDORS IS VIRTUALLY DIRECT, WHEREAS INTERFLUG MUST FLY 660 MILES OVER SOUTHERN GERMANY TO VIENNA BEFORE TURNING NORTH TO SCHOENEFELD. WITHOUT THE

PERMISSION TO OVERFLY THE FRG TO SCHOENEFELD, INTERFLUG COULD NOT COMPETE WITH ALLIED CARRIERS BECAUSE IT WOULD HAVE TO UNDERTAKE EVEN MORE ROUND-ABOUT ROUTE FROM ZURICH SOUTHWARD TO ITALY, EASTWARD ACROSS NORTHERN YUGOSLAVIA AND THEN NORTH TO VIENNA, PRAGUE AND SCHOENEFELD.

6. AEROAMERICA REP TOLD MISOFF THAT IT DOES HAVE CONTRACT WITH TOUR OPEATOR FOR ONE IT CHARTER OVER NEW YEAR AND INTERFLUG HAS SIMILAR PACKAGE COVERING SAME PERIOD. PRICES QUOTED IN NEWSPAPER COME FROM SWISS BROCHURE WHICH AEROAMERICA HAS SENT CAA BONN.

7. TAGESSPIEGEL ALSO REPORTS THAT THE GDR WISHES TO OPEN AN OFFICE OF INTERFLUG IN WESTERN SECTORS OF BERLN. THIS POSSIBILITY WAS FIRST MENTIONED BY GDR VISITS COMMISSIONER MITDANK DURING PDWODIC MEETING WITH SENAT REP KUNZE OCTOBER 27. ON NOV. 24, SENAT FORMALLY ASKED ALLIES TO USE ALLIED LEGISLATION (BK/O(62)5) TO PREVENT THE OPENING OF THIS OFFICE. MATTER NOW IS UNDER CONSIDERATION BY THREEALLIED MISSIONS.

8. TAGESSPIEGEL EXPRESSES SURPRISE AT ATTITUDE OF FMT. REFLECTING ON THE LONG STANDING REALITIES OF BERLIN AVIATION, NEWSPAPER CITES FOLLOWING REASONS FOR ITS ASTONISHMENT:

--A. THE GDR HAS OFFERED NOTHING IN RETURN.

--B. THE GDR HAS CONSTANTLY DENIED OVERFLIGHT RIGHTS TO NON-FOUR POWER AIRLINES WHO ALREADY HAVE LANDING RIGHTS AT TEGEL FROM ALLIES.

--C. THE GDR HAS INTERFERED WITH SERVICE FROM TEGEL BY MEANS OF DUMPING PRICES (EG., TO ISTANBUL) AND OTHER RESTRICTIONS.

--D. GDR HAS, IN HYPOCRITICAL FASHION,  
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RECENTLY PROTESTED PLANNED ZURICH SERVICE FROM TEGEL AIRPORT IN WEST BERLIN.  
WE SHARE THESE VIEWS WHICH ARGUE FOR RESISTING INTERFLUG EFFORT ESTABLISH ZURICH SERVICE.

9. FINALLY, TAGESSPEIGEL CLAIMS THAT THE GDR IS MAKING CONSIDERABLE EFFORT IN WASHINGTON TO OBTAIN LANDING RIGHTS FOR INTERFLUG AT NEW YORK, AND NOTES THAT THE FRG TRAFFIC MINISTRY WOULD BE INCLINED TO GRANT OVERFLIGHT RIGHTS WERE SCHOENEFELD/NEW YORK SERVICE AGREED TO BY THE AMERICANS.

10. COMMENT: POSSIBILITY THAT FRG TRANSPORT MINISTRY FAVORS INTERFLUG OVERFLIGHT RIGHTS OFFERS

GDR LONG SOUGHT OPPORTUNITY TO UNDERCUT ALLIED AIRLINES  
IN BERLIN BY MEANS OF DUMPING PRICES OFFERED BY ITS  
STATE-SUBSIDIZED AIRLINE. WE THINK MATTER SHOULD BE  
RAISED WITH FRG IN BONN, PERHAPS WITH FMT,  
AND IN BONN GROUP AS WELL--IN ORDER TO UNDER-  
LINE POLITICAL IMPORTANCE OF THIS QUESTION. ALLIES  
WOULD ALSO RAISE HERE. BEFORE MAKING FORMAL APPROACH  
TO THE GERMANS, HOWEVER, IT WOULD STRENGTHEN ALLIED  
HAND TO HAVE WASHINGTON CLARIFICATION OF REPORT  
THAT INTERFLUG LANDING RIGHTS IN NEW YORK UNDER  
CONSIDERATION. WE ALSO THINK A FIRM WORD TO BA AND  
PANAM BY THE RESPECTIVE GOVERNMENTS IN WASHINGTON AND  
LONDON IS NEEDED TO IMPRESS UPON BOTH AIRLINES IMPORTANCE  
OF THEIR EARLY AGREEMENT TO A SHARED ZURICH SERVICE.  
OTHERWISE, WE FEAR THAT AT DEC. 14 AIRLINE DISCUSSIONS  
IN LONDON, BA WILL NOT BUDGE FROM ITS CLAIM TO THE  
ENTIRE MARKET.  
GEORGE

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## Message Attributes

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